

Committee on Government Reform

Tom Davis, Chairman



MEDIA ADVISORY

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Government Reform Committee to Mark-Up: ***The Federal Property Asset Management Reform Act of 2003***

"The magnitude of the problem with underutilized or excess federal property puts the government at significant risk for wasting taxpayers' money and missed opportunities."
—The U.S. General Accounting Office

What: Government Reform Committee Business Meeting to Mark-Up: H.R. 2548, Federal Property Asset Management Reform Act of 2003

When: Thursday, July 17, 2003, 10:00 a.m.

Where: Room 2154, Rayburn House Office Building

Background:

On June 19, 2003, Congressman Pete Sessions (R-TX) and Government Reform Chair Tom Davis (R-VA), introduced H.R. 2548, Federal Property Asset Management Reform Act of 2003. H.R. 2548 contains a variety of property management tools that would improve property management and the condition of the Federal workplace. This legislation was developed in consultation with the Administration and contains many of the property management reforms included in the President's Freedom to Manage Initiative.

The Federal Government controls more than 3.2 billion square feet of real property assets valued at roughly \$328 billion. Literally hundreds of millions of taxpayers' dollars are spent each year just to maintain these extensive properties. Many Federal properties are in disrepair, lack up-to-date technological infrastructure, are ill equipped for adequate security protection, and pose health and safety threats to workers and visitors alike. Others are no longer suitable to meet the Federal government's

changing mission. For instance, of the 8,000 buildings managed by the General Services Administration (GSA), more than half are over 50 years old and are in deteriorating condition that require an estimated \$5.7 billion in repairs. The State Department alone faces an estimated \$736 million in repairs for deteriorating buildings.

The Federal Property and Administrative Services Act of 1949 (Property Act), the major law overseeing federal assets, is more than 50 years old. Since its enactment, the Property Act's policies and procedures have generally remained unchanged. The lack of flexibility in the Property Act has contributed to the growth of deteriorated, vacant, and underutilized space in agency real property. In addition, Federal Agencies lack the appropriate every-day asset management tools and incentives that reflect private sector best practices. The shortcomings of the Act have contributed to the chronic problems that exist in Federal real property management in all 30 property-holding agencies across the government. These problems, and the need for legislative solutions, have recently been documented by the General Accounting Office in its January 2003 designation of Federal real property as a High Risk program area.

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